

**MINUTES OF MEETING
OF THE
KENTUCKY RETIREMENT SYSTEMS
INVESTMENT COMMITTEE
NOVEMBER 20, 2013 AT 9:00 A.M., E.T.
BOARD ROOM, 1270 LOUISVILLE ROAD
FRANKFORT, KENTUCKY 40601**

At the meeting of the Kentucky Retirement Systems Investment Committee held on November 20, 2013, the following members were present: Dr. Daniel Bauer, Chair; Randy Overstreet, Tommy Elliott, Joseph Hardesty and Scott McKenzie (Proxy for Timothy Longmeyer); Trustee Ed Davis and Mike Cherry were also present. Staff members present were: TJ Carlson, Brent Aldridge, Bo Cracraft, David Peden, Christopher Schelling, Joe Gilbert, Tom Masthay, Brian Carter, Bill Murnighan, Alane Foley, Ann Case, Connie Davis, Erica Bradley, Karen Roggenkamp, Brian Thomas and Bill Thielen. Also present: Tony Johnson and Ron Klotter of R.V. Kuhns & Associates, Inc.; Chason Beggerow of Altius Financial, Inc.; Gailen Krug of Albourne Financial; Jonathon Berns and Edward Schwartz of ORG.

Dr. Bauer called the meeting to order and introduced the agenda item Approval of Minutes. Mr. Overstreet moved and was seconded by Dr. Bauer to approve the minutes of the August 6, 2013 meeting. The motion passed unanimously.

Mr. Carlson congratulated Bill Murnighan for his exam completion earning him the designation of Chartered Alternative Investment Analyst.

Mr. Carlson advised that all reports after July 11, 2013 would be net of fees. There will no longer be a Net of Fee Report as it is not needed.

Ms. Erica Bradley presented the Quarterly Compliance and Audit Report. These reports were provided for informational purposes only. Mr. Carlson reviewed the Asset Allocation Report, Monthly Performance Update, Investment Division Meeting Checklist, Expense Report, Securities Lending Report, Securities Litigation Report, Custodial Transition Update, Standing Quarterly Topics List, Potential Future Topics List and Articles of Interest. These reports were provided for informational purposes only.

Mr. Carlson introduced Linda Hinton, Jim Royce and Christy Dolan to present the APA Audit Investment findings. This report was provided for informational purposes only.

Mr. Peden reviewed the Private Credit Search Update. This was for informational purposes only.

Mr. Gilbert presented the Public Equity Restructure Search. This was for informational purposes only.

Mr. Aldridge, Mr. Murnighan and Mr. Masthay introduced Chason Beggerow from Altius and presented the Private Equity Annual Review and provided details on two new Private Equity Investments with New Mountain partners IV and Levine Leichtman V.

Mr. Overstreet moved and was seconded by Mr. Hardesty to invest \$50 million in New Mountain Capital Partners IV and \$70 million in Levine Leichtman Capital Partners V. The motion passed unanimously.

Mr. Schelling reviewed Investment Policy Statement Updates.

Dr. Bauer moved and was seconded by Mr. Overstreet to approve the updates requested. The motion passed unanimously.

Mr. Thielen and Mr. Carlson reviewed their recommendations on the Investment Staffing Restructure to submit to the Human Resources Committee for their review and approval.

Mr. Elliott moved and was seconded by Mr. Hardesty to present Staffing Restructure Recommendations to the Human Resources Committee. The motion passed unanimously.

Dr. Bauer called for a short break.

Mr. Masthay introduced Jonathon Berns and Edward Schwartz with ORG and they presented the Real Estate Annual Review. This was provided for informational purposes only.

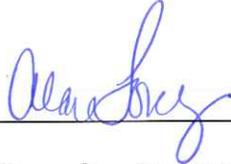
Mr. Masthay, Mr. Berns and Mr. Schwartz presented an overview on three potential real estate investments: DivcoWest Fund IV, Stockbridge Smart Markets Fund and Prologis Targets US Logistics Fund.

Mr. Overstreet moved to invest \$30 million in DivcoWest Fund IV and was seconded by Mr. Elliott. The motion passed unanimously.

Mr. Overstreet moved to invest 100 basis points, approximately \$120 million in Stockbridge Smart Markets Fund and Prologis Targets US Logistics Fund, with the exact amount to be reported to the committee at the appropriate time, and was seconded by Dr. Bauer. The motion passed unanimously.

There being no further business, Dr. Bauer adjourned the meeting at 2:02 p.m. The next scheduled quarterly meeting of the Investment Committee is February 4, 2014 at 9:00 a.m. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee meeting as of November 20, 2013.

I do certify that I was present at this meeting and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.



Recording Secretary

I, Chair of the Investment Committee of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of the meeting held on November 20, 2013 were approved by the Investment Committee on February 4, 2014.



Investment Committee Chair

I, Brian Thomas, have reviewed the Minutes of the Investment Committee Meeting held on November 20, 2013, for form, and legality.



General Counsel